

# *Dripping Springs*

INDEPENDENT SCHOOL DISTRICT

## Business Office Procedures Manual

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## Dripping Springs Independent School District

The Board of Trustees and administration of Dripping Springs Independent School District are charged with the responsibility of supervising the financial affairs of the District. These procedures have been developed to help safeguard all funds and to ensure that the District's financial activities are maintained with high standards and comply with federal and state laws and regulations.

In those regards, the Business and Financial Services Departments of the District are charged with providing:

1. A centralized, standard accounting system in accordance with the prescribed regulations from TEA and local policies set by the Board of Trustees;
2. Control over revenues and the disbursement of funds as prescribed by law and Board policies;
3. Appropriate financial records and reports as required by regulations and policies; and
4. Safekeeping of district assets.

The purpose of this manual is to provide employees of the District with guidelines for proper accounting procedures for expending funds belonging to the district, campus, and students. Principals, secretaries, coaches and sponsors are encouraged to become well acquainted with this manual and to utilize it as the official guide. For consistency, the procedures in this manual refer to the Business and Financial Services Departments as the Business Office. Questions regarding these procedures should be directed to the Business Office.

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# PAYROLL

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Dripping Springs ISD teachers, professional, and administrative employees are paid on a monthly basis. Instructional aides, clerical/technical and manual trade employees are paid on a semi-monthly pay schedule. However, if the regularly scheduled pay date falls on Saturday, Sunday or a holiday, the pay date will be the prior business day. The District does not provide monetary advances. Supplemental pay is paid according to dates worked and the payroll schedule provided each year.

The District pays all employees over 12 months, regardless of the number of months the employee works in order to provide employees with a stable income. Beginning with the first pay period of their work calendar, an employee will receive his or her salary in equal monthly or semi-monthly payments.

The pay schedule and cut-off dates for monthly and semi-monthly payrolls are shown on the following pages.

## 2022-23 PAYROLL SCHEDULE (SEMI-MONTHLY & MONTHLY)

Changes Due to Payroll	Supplemental, Extra, OT Pay, and Time Off Period Covered	Pay Date
08/01/22 08/18/22	07/01/22-07/16/22 07/17/22-07/30/22	08/10/22 08/25/22
09/02/22 09/16/22	07/31/22-08/13/22 08/14/22-08/27/22	09/09/22 09/23/22
09/29/22 10/18/22	08/28/22-09/10/22 09/11/22-09/24/22	10/07/22 10/25/22
11/03/22 11/11/22	09/25/22-10/08/22 10/09/22-10/22/22	11/10/22 11/17/22
12/02/22 12/09/22	10/23/22-11/05/22 11/06/22-11/19/22	12/09/22 12/15/22
01/03/23 01/18/23	11/20/22-12/10/22 12/11/22-12/31/22	01/10/23 01/25/23
02/03/23 02/17/23	01/01/23-01/14/23 01/15/23-01/28/23	02/10/23 02/24/23
03/03/23 03/10/23	01/29/23-02/11/23 02/12/23-02/25/23	03/09/23 03/24/23
04/03/23 04/18/23	02/26/23-03/18/23 03/19/23-04/01/23	04/10/23 04/25/23
05/03/23 05/18/23	04/02/23-04/15/23 04/16/23-04/29/23	05/10/23 05/25/23
06/01/23 06/15/23	04/30/23-05/13/23 05/14/23-06/03/23	06/08/23 06/22/23
07/03/23 07/18/23	06/04/23-06/17/23 06/18/23-06/31/23	07/10/23 07/25/23

***ALL CORRECTIONS WILL BE MADE ON THE NEXT PAYROLL PERIOD***

***This schedule is not used to determine your annualized salary.***

- 10<sup>th</sup> or first payday of the month for non-exempt (hourly) employee annualized salary.
- 25<sup>th</sup> or second payday of the month for exempt & non-exempt (hourly & non-hourly) employee annualized salary.
- All employees will be paid on the first and second paydays for supplemental, extra and over time work performed in accordance to the schedule.
- Time off is posted to Employee Access in accordance to this schedule for employees that use True Time and SmartFind.

## Required Payroll Deductions

### Retirement Contributions

Full-time employees of the district do not contribute to the social security system. Instead, they participate in the Teacher Retirement System of Texas (TRS), a state, local and member funded program. TRS is withheld from each employees gross pay at a rate of 7.70% on a pre-tax basis. Additionally, the state of Texas contributes an equal amount up to the statutory minimum salary amount for each employee that is subject to the statutory minimum. Also, each employee makes a contribution to the TRS-CARE health insurance program of 0.65% of the gross pay.

In order to receive TRS credit for a year of service, an employee (Exempt or Non-Exempt) must work 90 days during a school year to receive a year of service credit for that year.

### Federal Withholding

All school district employees are required to have a federal W-4 form on file. The amount deducted from an employee's check depends on the number of allowances and the filing status claimed by the employee. The Internal Revenue Service form W-4 is the document used by each employee to declare his or her filing status (single, married, married but withhold at the higher single rate, exempt) and number of allowances claimed.

DSISD is not required to verify the accuracy of the information on an employee's W-4; however, the Payroll Office cannot knowingly accept an invalid form. A form is invalid if it is altered (e.g., sections are crossed out or information other than the requested entries has been added) or if the employee indicates that it contains false information. The Payroll Office will request a new form if there is reason to believe that a W-4 is invalid.

If a valid W-4 form is not submitted to the Payroll Office, federal taxes will be withheld as if the employee was single and claimed zero allowances. In addition, the IRS has the authority to assess a penalty against an employee who claims more allowances than they are entitled.

Employees wishing to amend their withholding status can download a W-4 form from the district web site or at the IRS web site: <http://www.irs.gov/pub/irs-pdf/fw4.pdf>. A completed signed form must be submitted to the Payroll Office 7 working days prior to the next scheduled pay date to ensure that any change in tax status is reflected in the next regular payroll.

### FICA/Medicare

All employees who were hired after March 31, 1986 are required to pay 1.45% of the gross pay to the federal government for Medicare. Individuals not eligible to participate in the TRS program (typically part-time employees, working less than 20 hours a week and/or



substitutes) are required to contribute to a social security alternative plan established by the District under the Internal Revenue Code, Section 457. These individuals contribute 7.5% of their gross pay on a pre-tax basis to an individual account, held in trust by the District and the investment company that manages the Section 457 Plan on behalf of the District. There are strict limitations on access to this money as it is intended by Congress to function in the place of social security.

### Child Support

Child support payments are processed by Payroll only when court orders are properly received from a county child support office, from the Child Support Services Division of the Attorney General's Office or from an appropriate court of jurisdiction. It is the employee's responsibility to file a change of employment request with the state Child Support Office.

### Levies

Tax levies from the Internal Revenue Service or payment orders from a Guaranteed Student Loan Fund for repayment of student loans are also processed by Payroll, and are mandatory employee deductions when jurisdictional orders are properly received by DSISD.

### Optional Payroll Deductions

Many optional payroll deductions are available to DSISD employees. Among just a few of these are the following options:

- 403b tax sheltered investments – open to all employees and available through the District's third party administrator
- Health insurance, vision, dental, cancer, additional life, short-term disability and other health-related coverages
- Professional organization dues
- Education Foundation contributions

### Direct Deposit

In order to conserve District funds and improve productivity, the electronic transfer of funds (Direct Deposit) has been determined to be the most efficient system of paying employees. Payroll payments are made via direct deposit for all employees, including substitutes and student workers. Direct deposit can be made to any bank, savings or brokerage account in the United States Federal Reserve banking system as long as an account number and an ABA routing number are available. The appropriate form is available from the Human Resources Department. It is also available to employees on the HR website.

All employees should verify the deposit of their pay on the date listed on the payroll schedule. In the event the employee's pay does not reach his/her account, they should first contact their bank. If the bank has rejected the deposit, a replacement check cannot be issued until the funds are returned to DSISD. This may take as long as five business days after the payroll office receives notification of the return of funds.

### Paperless Pay Stubs

Pay stubs are not distributed in paper form following payroll distributions. Instead, all pay stubs are available online through Employee Access which is accessible from the District's website under the link for "Staff". Employees can access and print pay stubs at any time.

### Stipends

Exempt employees who perform additional duties beyond their assignment or work additional days beyond their contract period are compensated via the assignment of a stipend. Stipends are NOT to be assigned to hourly employees. The campus principal must designate the employee performing the additional duties before the beginning of the school year. These designations must be submitted to the Business Office in order for employees to receive the stipend.

## Additional Compensation

### Overtime

If at any time during the work week an employee in a clerical/technical or aide position expects to work beyond 40 hours, the supervisor should grant approval for overtime to be incurred and will approve time worked via the Time True system. Supervisors should address overtime issues with their employees if unauthorized overtime becomes a problem. Supervisors are also responsible for ensuring all time worked is reported correctly within the True Time system.

### Extra-Duty

#### Non-exempt Employees

When non-exempt employees perform duties outside their assignment, they must record actual hours worked. Payment will be based upon a predetermined hourly rate for the duties performed as defined in the Compensation Plan and Job Classifications document. If non-exempt employees perform duties similar to their regular assignment, they will be compensated at their regular hourly rate up to 40 hours and at 1.5 times their regular rate over 40 hours per standard workweek. Non-exempt employees may not volunteer in

positions similar to their assignment (i.e., teacher aide helps with reading group after school). They must be compensated for any additional duties performed.

Examples of tasks performed that typically fall outside of an hourly employee's regular work are: Kids Club, Project Graduation, translations, monitoring, assisting with extra-curricular programs.

Working athletic events are jobs performed that typically fall outside of an hourly employee's regular work schedule that are not paid under overtime but as a separate duty at the rate of pay for that task.

### Exempt Employees

Exempt employees who perform duties outside their assignment must do so outside of their work schedule and log hours worked within True Time or complete a Supplemental Pay form in order to be compensated. Payment will be based upon a predetermined hourly rate as defined in the Compensation Plan and Job Classifications document.

Exempt employees completing duties such as Detention, Saturday School, AP testing, Summer School or a Duty that has been assigned a stipend will be paid based on the rates established in the Compensation Plan and Job Classification document. Hours worked should be recorded within True Time.

### Errors on Direct Deposit/Paychecks

In the event an employee does not feel he/she has received proper payment for services rendered, the employee should contact the Payroll Office for further review of the matter.

## Miscellaneous Information

### W-2 Forms

Employees will have a choice of paper or electronic W-2 form will be issued no later January 31. Employees can log on to Skyward Employee Access to review and print their W-2 form at any time.

### Skyward True Time –Time and Attendance System

#### Payroll Processing for Classified (Hourly) Staff

Non-exempt employee (hourly) pay will be processed based on actual hours worked and recorded through the Skyward True Time System. Hourly employees must use the True Time bio-metric clocks (touch ID) or a desktop computer, depending on the method assigned, to record time worked. The time clocked in/out via the clock or computer serves as the official time worked. Any corrections, missed punches and submissions of leave time can be processed in Employee Access ‘True Time’.

Once the True Time time sheet has been completed, it can be ‘Submitted’. Time sheets must be submitted by the employee each Monday for the prior week’s activity. Timesheets will be approved by the employee’s campus or department Supervisor. Any timesheet not approved will be denied and returned to the employee for correction.

#### Recording Time

Employees **must record time worked** in the True Time system by using the touch ID scanner for finger print verification. Generally, there are two clocks per campus, one in the mail room and one in the cafeteria. Clerical staff may also clock in/out by using a computer authorized to be used as a timekeeping device.

#### Other Assignments

Non-exempt employees who perform duties outside their assignment must record actual hours worked. Hours worked will continue to be recorded in the True Time system. Employees must record in/out times for other assignments the same way they record regular hours. When working dual assignments, the employee must clock out for the job that is ending and clock back in for the new job choosing the appropriate job code.

#### Other Requirements

All hourly employees are given at least a ½ hour lunch break. Each campus or department sets the time issued for lunch each day. True Time will not automatically deduct the lunch break based on the employee’s schedule. All employees must clock out and clock in for lunch breaks as the system will not allocate a lunch break. Federal laws require a minimum of 30 minutes for lunch in order to be considered a non-duty break. Employees must be completely

relieved of duties during this time. If the employee works the day without taking a lunch break, the supervisor should approve the time worked without a break.

### **Rounding Rule**

The True Time timekeeping system will calculate the actual time worked each day and then round to the nearest 15 minutes at the end of the work week.

### **Falsification or Tampering With Timekeeping Records**

”Buddy punching” is not permissible and may not be accomplished with the True Time touch ID clocks due to the required finger print verification. Tampering with True Time clocks is considered a serious offense and may require disciplinary action up to and including termination. In addition, failure to record all time worked (ie. Working “off the clock”) is considered a serious offense and may require disciplinary action up to and including termination

### **Clock Malfunction**

If an employee is unable to clock in or out because of a time clock malfunction, it is the employee’s responsibility to immediately inform the department timekeeper and make arrangements to enter the clock in and/or clock out on their timesheet through True Time.

### **Fair Labor Standards Act**

The Fair Labor Standards Act (FLSA) was established in 1938 as a partial remedy to the Great Depression. It regulates minimum wage and overtime requirements. The minimum wage provision requires that employees covered by the FLSA receive a minimum standard of pay for each hour of work performed. Generally clerical/technical and manual trade job classifications are considered non-exempt employees. Teachers, librarians, counselors, nurses, and administrative/professional job classifications are considered exempt employees

Employees are not required to be paid on an hourly basis; however, regardless of the basis of pay – hourly, salary, piecework, commission – the pay received must meet or exceed the minimum hourly rate.

The FLSA distinguishes between employees required to be paid overtime and those who are exempt from overtime pay. Unless qualified for exemption from the overtime requirements, employees must be compensated at a rate of one and one-half times the regular rate of pay for all work hours over 40 in any one workweek, defined by the FLSA as a seven-consecutive-day (24 hour) period. Compensatory time may be used in lieu of overtime pay. The work week for DSISD begins at 12:00am Sunday and ends at 11:59pm Saturday.

### **Compensable Time**

“Employ” is defined in the FLSA as “to suffer or permit to work.” Employees must be compensated for all time controlled by and primarily for the benefit of the employer. Such hours may include time during which the employee is not engaged in a “working” activity. Activities that must be counted as time worked include:

- Waiting time required by the job, such as bus drivers
- Rest periods of short duration (20 minutes or less)
- Training time required by the employer
- Preparatory and cleanup time

**This is not an exhaustive list. The determining factor is whether the time is controlled or required by an employer and occurs primarily for the benefit of the employer. Therefore, any work performed by an employee, authorized or not, is compensable time.**

#### Benefit Time

DSISD pays employees for some nonworking time as a benefit. For example, paid sick leave or personal leave is extended to employees as a benefit. For FLSA purposes, however, such time is considered non-compensable time and is not required to be included in determining hours worked for overtime purposes. Some other examples of non-compensable time include:

- Meal periods of half an hour or longer in which the employee is completely relieved of all duties
- Jury duty
- Paid sick time
- Paid personal leave time

#### Compensatory Time

Employers in the public sector may award compensatory (comp) time in lieu of pay for additional hours worked. A district must document the number of compensatory hours earned each workweek by each employee and the number of compensatory hours used each workweek. Compensatory time earned must be used in a reasonable timeframe according to a schedule that is mutually agreeable to the employee and the supervisor.

All non-exempt employees working in an office or clerical setting will be compensated for overtime through the accrual of comp time. The use of comp time earned must be pre-approved by the employee’s supervisor (just as other leave taken). Comp time must be used prior to any other available leave balances and may be accumulated up to a maximum of 40 hours per school year. All overtime earned in excess of 40 hours will be paid at a rate of time

and a half. All comp time balances remaining at the end of the District's fiscal year (June 30) will be paid off at the required rate of pay. Compensatory time paid at the end of the fiscal year is not considered TRS eligible compensation.

### Defining Overtime

Overtime includes any hours worked by a nonexempt employee in excess of 40 hours in a workweek. The FLSA does not consider paid leave, such as sick leave, personal leave, etc., to be time worked even though the employee is paid as if he or she worked the hours. Each workweek stands alone in determining overtime worked and computing overtime pay or compensatory time entitlements. Different workweeks cannot be consolidated or averaged in determining overtime during a pay period.

### Unauthorized Overtime

Whether an employee is asked to perform work is irrelevant. If the employer receives the benefit of such work, then the time must be counted as compensable. Management not only must instruct employees not to work unauthorized hours (overtime), but must also take appropriate actions to discipline employees who work unauthorized hours (overtime) so that the employer has not permitted the work. Refusing to pay unauthorized overtime is not an option.

### Meals and Breaks

The FLSA does not require employers to provide employees meal or rest breaks. Meal periods are not required to be counted as time worked if the employee is completely relieved from duty and the meal period is 30 minutes or more. "Completely relieved of duty" means the employee is not performing any duties, active or inactive, during the lunch period. Supervising students or answering the phones during lunch is considered working and the time must be accounted and paid for. Rest periods or coffee breaks of short duration, from 5 to 20 minutes, must be counted as time worked.

### Multiple Assignments

It is common practice in school districts to employ one person in two different capacities such as, custodians and bus drivers, or instructional aides and bus monitors, etc. In such cases, when both positions are nonexempt positions, all the hours worked in both jobs must be added together and paid at the blended rate to meet the overtime provisions of the FLSA.

If one of the jobs is exempt, the one which occupies the majority of the employee's time (over 50 percent) determines the exemption status. For example, a full-time teacher who occasionally drives a bus would still be classified as an exempt employee, not subject to the overtime pay requirements.

### Volunteers

Although volunteers are not normally employees of the District, an employee may be allowed to volunteer if the volunteered services are not similar to the work for which he or she is regularly employed. For example, a secretary who volunteers time to serve food at a sporting event is not subject to the provisions of the FLSA; but a food service worker's time serving food at the same event would be considered similar work and therefore accounted and paid for. Some cautions to observe:

- An employee of one school district may volunteer any type of service to another school district but may not volunteer service to another campus within the employing district.
- An employee may volunteer his or her services to a parent-teacher organization if the organization is a private, nonprofit organization and not part of the employing agency.

The district employee who is also a parent of a student in the district is a unique case. The parent/employee is not bound by the restrictions of volunteering for work that is dissimilar to his or her regular job with the district. Therefore, a parent may serve in any volunteer capacity he or she chooses, provided his or her own child is involved.

In all situations of employees serving as volunteers, there must be no coercion or pressure from the district on the employee to provide such services.

### Extracurricular Assignments

There is a direct connection between the time worked and the amount due in the case of the nonexempt employee doing extracurricular work. The extracurricular assignment carries the same recordkeeping and pay provisions as the employee's primary job. Because of the compliance, monitoring, administrative, and other cost issues, extracurricular duties should not be assigned to nonexempt employees.

### Extra Duty Assignments

When stipends are paid to exempt employees, time is not an issue. However, it is an issue for a nonexempt employee. The District must pay no less than minimum wage plus time and half the weighted average for all jobs for overtime hours. If a stipend is paid to a nonexempt employee based on something other than hours worked, there is a strong possibility that the stipend is inadequate for FLSA purposes. Because of the compliance, monitoring, administrative, and other cost issues, nonexempt employees should not be given extra duty assignments.



Before agreements are made between supervisors and nonexempt employees for extra-duty assignment to be completed, a preapproval of the work and rate of pay must be received by the Assistant Superintendent for Finance and Operations. This preapproval is submitted through Eduphoria.

### **Occasional and Sporadic Work**

Nonexempt employees may, solely at their discretion and without coercion, work occasionally or sporadically on a part-time basis for the District in a different capacity from their regular employment. The Department of Labor defines occasional and sporadic as infrequent, irregular, or occurring in scattered instances.

The hours worked in the different job(s) need not be added together to determine the overtime pay for the workweek. Special events for which a school district employee agrees to work (e.g., a custodian taking tickets at football games) can be paid at the rate established by the District as long as the rate meets or exceeds the current minimum wage. The hours need not be added to the hours worked in the regular job for the purposes of determining overtime entitlements as long as the job is in a different capacity from his/her regular district job.

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# TRAVEL

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Employees authorized to travel for business and educational purposes on behalf of the District will be reimbursed for all usual and customary travel-related expenses made on behalf and in connection with district business according to district rates and state law. The processes established herein have been developed on the premise that employees will use good judgment and prudence in the expenditure of district funds when traveling. Travelers are expected to select the most economical and practical accommodations, arrangements and services in accordance with the needs of the trip. All travelers, as well as supervisors approving travel, are responsible for compliance with the provisions of the District's travel policies. Requests for exceptions to these regulations must be made in writing prior to taking a trip and signed by the Superintendent of Schools or his designee.

Effective September 1, 2019, all Travel Approval Forms under \$1,000, with the exception of out-of-state travel, will be entered by the requestor or campus/department administrative assistant as PO's into Skyward. A separate PO will be needed for each vendor on a Travel Approval Form, with the following documentation needed for each PO:

- Completed Travel Approval Form
  - MUST have Departure and Return times for per diem rates
- Copy of registration
- Conference agenda
- Google Map or MapQuest for mileage
- Hotel reservation made prior by employee

Once approved, the campus/department may pay for expenses with the Travel Signature Card.

**Travel forms should be submitted at least two weeks in advance of the trip.**

Any Travel over \$1,000 will need to be submitted to the Business Office for approval.

Once the travel has occurred, the employee will submit the Employee Travel REIMBURSEMENT form to request reimbursement for expenses incurred during the travel (parking, mileage, meals, etc.) that was not paid with the Employee Travel APPROVAL form. All reimbursements will require receipts as proof of payment. **Reimbursement forms are to be submitted within two weeks of returning from the trip.**

**Out-of-State-Travel:** All out of state travel MUST be approved by the Superintendent prior to making any airline or hotel reservations. This approval applies to both employee and student out of state travel.

### Travel via Credit Card

In order to establish an efficient and cost effective method of paying for select transactions related to district travel, a purchasing card system has been implemented. Employees may be issued a credit card with Citi Bank for pre- authorized travel expenditures. All employees are required to sign a card holder user agreement before being issued a card.

### Lodging

**Hotel reimbursements are not eligible within the following counties: Hays, Travis, Williamson, Blanco, Burnet, Comal and Bastrop.**

DSISD will cover the cost of overnight trips at the hotel/facility listed as the host hotel(s) where the conference, seminar, etc.is being held or an alternate location when necessary. Rooms should be booked at the most economical rate available and without additional amenities. If a spouse attends with a DSISD employee, any additional room costs must be paid for by the employee. Additional charges such as movies and laundry will be at the employee's expense.

### Requesting Hotel Payments

- Employee(s) completes an Employee Travel Approval Form in Skyward and secures approval for the trip.
- The employee will need to make the reservation and attach a copy of the hotel confirmation to the Employee Travel Approval Form. The hotel confirmation should show the following information:
  - check-in/check-out date
  - nightly room rate
  - number of nights
- After approval, a check payable to the hotel will be available for pick-up at the Business Office or a credit card will be issued by the campus/department no later than the day before departure.
- Employee(s) must provide a Texas Hotel Occupancy Tax Exemption Certificate to hotels to claim exemption from state hotel tax. If tax is still on the final invoice, employees will be responsible for contacting the vendor to have it removed. Sales tax in other states will be reimbursed.

- To be reimbursed for hotel expenses (when prepayment is not made), an itemized bill showing payment must be submitted. If an itemized receipt is not provided, one must be requested by the employee.
- To avoid cancellation fees, the employee is responsible for notifying the hotel prior to the cancellation deadline. If the hotel is not notified by the required deadline, the employee may be required to pay any fees assessed by the hotel, unless the trip is cancelled due to district actions.

### Federal Funds

If lodging costs are chargeable to federal grant funds, employees must follow the Federal Domestic Maximum Per Diem Rates schedule for in-state and out-of-state costs, supported by original itemized receipts. For cities not listed (in-state or out-of-state), the rate of the county should be used. When neither the city nor county are listed, the lodging rate is the actual cost up to \$85 per night plus city and local taxes. Travel reimbursement rates can be found at <https://fm.xcpa.state.tx.us/fm/travel/travelrates.php>. Due to restrictions and compliance regulations, credit cards will not be issued for travel chargeable to federal funds.

## Transportation

### Personal Vehicles

When traveling on district business, reimbursement for use of a personal vehicle is made at the federal/state rate authorized at the time the travel occurs for preapproved out-of-district mileage. The mileage reimbursement rate is subject to change by the IRS and/or Texas State Comptroller. As required by HB 1924, when computing distance for reimbursement, mileage must be based upon the shortest route between points whether that is from the employee's home or the employee's campus/department location. Personal mileage incurred while on travel status is not eligible for district reimbursement. Mileage must be documented through the use of an electronic mapping source (Google/MapQuest/Yahoo) showing the total miles from the starting point to the destination. A printout of the calculated mileage must be attached to the final Employee Travel Approval and Employee Travel Reimbursement Form. If more than one person is attending the same meeting, they should carpool in one vehicle whenever possible.

If a personal vehicle is being driven out-of-state, the traveler may only be reimbursed up to the actual mileage or the cost of comparable airfare, whichever is less. For the purpose of this comparison, a written airfare quote should be attached to the Employee Travel APPROVAL Form. If more than one person is attending the same meeting, they should carpool in one vehicle whenever possible.

### In-district Mileage

When traveling on district business within the district boundaries, reimbursement for use of a personal vehicle is currently set by the state comptroller website and the IRS. In-district mileage does NOT require pre-approval. For convenience, an in-district mileage calculator has been developed for common destinations within the district. Please use this chart for mileage to/from these destinations. For destinations not listed, mileage may be documented using an electronic mapping source.

### Car Rental

Automobile rental of a midsize or lower rate is available when approved in advance by the employee's supervisor via submittal of the Employee Travel APPROVAL Form. Vans may be requested for groups exceeding four persons. When traveling to a destination that requires airfare, the preferred means of ground transportation in the destination city is an airport shuttle. Taxis should only be used when airport shuttle service is unavailable. Tips on transportation costs are not reimbursable expenses.

Enterprise Rent-A-Car is the state approved vendor for vehicle rentals (*drivers must be 25 years or older*). Under the State of Texas contract, the rental rate includes insurance for LDW (Loss/Damage Waiver or comprehensive) and Liability. When reserving a vehicle through Enterprise, the following steps should be taken:

1. Enter a requisition for approval of the rental. In the body of the requisition indicate:
  - a. Travel Destination
  - b. Travel Dates
2. Call Enterprise or go online to make a reservation
3. The following information will be needed:
  - a. State Entity is Dripping Springs ISD
  - b. **Corporate Number is See Campus/Department Secretary** (enter in Account Number field)
  - c. **Billing Account Number** (contact Purchasing or the campus secretary for this number)
4. The traveler must bring the following to pick up the rental:
  - a. Driver's License
  - b. School ID Badge
  - c. Confirmation number

Once the Purchase Order is approved, you must call Enterprise Rent-a-Car at 1-800-736-8227 and give them the Purchase Order number. If you do not call Enterprise with the Purchase Order number, you may be personally responsible for payment at the time the car is picked up. If a Purchase Order is not properly secured for the rental car, reimbursement

for the rental vehicle is requested by submitting the Employee Travel REIMBURSEMENT Form following the trip.

To avoid higher gas rates charged by the rental companies, the employee is responsible for filling the gas tank before returning the rental car. Also, be sure to examine the invoice for accuracy before leaving the rental office. Reimbursement for rental car expenses will occur when expenses are submitted with an itemized receipt on the final Employee Travel Reimbursement Form.

The local Enterprise location information is:

Enterprise Rent-a-Car  
3990 E Highway 290  
Dripping Springs, Texas 78620  
Phone (512) 858-4104  
Hours – 7:30 am - 5:30 pm

For travel outside of the area, simply make the reservation on-line through [www.enterprise.com](http://www.enterprise.com) and print out the reservation with the confirmation number.

### **Enterprise Rent-A-Car Policy**

Rental of 8 passenger vehicles – SUV's, may be subject to arrival and departure locations. Most 8 passenger vehicles are only available when arrival and departure locations are the same.

### **Education Code Chapter 34. Transportation**

Passenger cars or passenger vans may be used to transport fewer than 15 students. Education Code 35.003(b) Transp. Code 541.201 Board Policy dated 7/10/2016 4 of 5 Update 105 CAN(Legal)-P

### **Airfare**

Reimbursement for airfare will be allowed when either 1) airfare is cheaper than the mileage reimbursement, or 2) when travel by automobile is not feasible. Employees traveling by commercial air carrier must travel in the most cost-effective manner and utilize the lowest possible coach fares. Officials or employees traveling by commercial air carrier will not be reimbursed for the portion of non-coach (first class, business class, etc.) airfare which exceeds the cost of the lower coach fare.

Additional costs selected by the employee for early boarding will not be reimbursed. When traveling with students if early boarding fees are incurred, the additional costs must be paid from student or campus activity funds.

Once airfare for a trip has been approved, the employee will need to visit with their campus/department secretary to use a credit card to book the flight. When airfare is approved for payment prior to the trip, the employee will be required to sign a Travel Advance Agreement stating that if the trip is canceled by the employee and the airfare is nonrefundable the employee will reimburse the District for the cost of the purchased airfare.

### Meals

Employee(s) will be issued meal per diems based on the matrix below. If Departure and Return times are not specified on the Travel Approval Form, itemized receipts may be turned in via a Skyward Check Request using the Employee Travel Reimbursement Form for reimbursement. Meals for meetings within the District will not be reimbursed. A reimbursement for meal expenses when overnight lodging is not required is reimbursable only when the travel takes the employee outside the district for more than six consecutive hours. Meals will not be reimbursed for travel lasting less than six consecutive hours. If meals are provided with the conference or hotel, the appropriate meal amount will be deducted from the per diem total.

	<b>Breakfast</b>	<b>Lunch</b>	<b>Dinner</b>	<b>Total</b>
<b>Depart Prior to 6 a.m.</b>	\$8	\$12	\$16	\$36
<b>Depart Between 6 a.m. – 12:00 p.m.</b>	-	\$12	\$16	\$28
<b>Depart After 12:00 p.m.</b>	-	-	\$16	\$16
<b>Return Prior to 11:30 a.m.</b>	\$8	-	-	\$8
<b>Return Between 11:31 a.m. – 6:30 p.m.</b>	\$8	\$12	-	\$20
<b>Return After 6:30 p.m.</b>	\$8	\$12	\$16	\$36

### Non- reimbursable Expenses

Non-reimbursable expenses are only applicable if per diem advances are not requested on the Travel Approval Form:

- Alcoholic beverages
- Personal entertainment
- Early departures or extended stays for personal reasons
- Laundry
- Phone calls
- Service Charges (including room service or delivery fees)
- Tips or gratuities more than 15%

When room service is used, a detailed receipt of the items ordered is required and meals will be reimbursed at the regular meal rates.

Meals may not be charged to the Travel Credit Card (except for in the case of student travel).

### Out-of-State Meals

Employees should refer to the U.S. General Services Administration (GSA) – Per Diem Rates which can be found at this URL: <http://www.gsa.gov/perdiem> to determine the rates for the travel destination.

### Multiple Travelers

If multiple staff members attend the same conference, DSISD will NOT reimburse in a way that would allow each individual or split groups of individuals to seek reimbursement. If an employee wishes to take his/her own vehicle and chooses not to ride with others, the vehicle expense will not be reimbursed.

If a spouse accompanies an employee requiring additional rooms for the other employees the cost of the additional room would be at the employee's expense.

### Other Expenses

Employees will be reimbursed for the following miscellaneous travel expenses.

- Tolls
- Parking (valet will only be reimbursed if there is not a self-park option)
- Taxi/Rideshare
- Luggage-first bag fee
- Fuel, if not claiming mileage, or while using a rental car.

Employees are expected to obtain receipts for these expenses whenever possible.

Room service convenience fees, delivery fees, and mandatory gratuities associated with room service are not reimbursable.



## Student Travel

### Lodging

Lodging for students will only be provided for competitions that warrant overnight stays. When traveling with students, a list of student names must accompany the Student Travel Approval Form.

The sponsor/coach will need to make the reservation and attach a copy of the hotel confirmation to the Student Travel Approval Form. The hotel confirmation should show the following information:

- check-in/check-out date
- nightly room rate
- number of nights
- After approval, a check payable to the hotel will be available for pick-up at the Business Office or a Travel Credit Card will be issued by the campus or department no later than the day before departure.

In Texas (only), a Hotel Tax Exemption Certificate must accompany payment to the hotel to avoid paying Texas State sales tax. These certificates can be obtained from the Business Office, or campus/department secretary. When checking into the hotel, provide the desk clerk with the Hotel Tax Exemption Certificate. Some hotels require proof of employment such as a pay stub or an identification badge. The sales tax in states other than Texas will be reimbursed.

### Student Meals

The per diem meal allowance for students is \$10.00/meal/student. The preferred manner of advancing student meal money is via the issuance of a DSISD Declining Balance Credit Card. When a card is issued for student meals, the credit card must be returned within 48 hours. If it is not feasible to take a credit card, meals will be advanced via a check.

### Beyond District/State Travel

When a team advances beyond the district level of competition, often a charter bus is requested for transportation to the playoff game. The district will cover the cost of the charter up to the equivalent cost of a school bus. If the cost of the charter exceeds the cost of a school bus, the team must fund the difference via Booster Club funds or other resources.

### Board of Trustees Travel

School Board Member travel on behalf of the district is governed by policies BBG (Legal) and BBG (Local). Reimbursements for expenses shall be made according to the procedures for employee travel.

### Non-employee Travel

Dripping Springs ISD will not reimburse travel expenses incurred by an employee's spouse or an individual accompanying an employee on business unless the spouse/companion is a district employee and is required to be in attendance. Travel reimbursements by Dripping Springs ISD to contractors/consultants are governed by the terms of the associated contracts/agreements.

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## PURCHASING

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In regards to the acquisition of goods and services, DSISD Board Policy CH (Local) states:

The Board shall assume responsibility for debts incurred in the name of the District so long as those debts are for purchases made in accordance with adopted Board policy and current administrative procedures. *The Board shall not be responsible for debts incurred by persons or organizations not directly under Board control.* Persons making unauthorized purchases shall assume full responsibility for all such debts.

All purchase commitments shall be made by the Superintendent or designee on a properly drawn and issued purchase order, in accordance with administrative procedures.

### Purchase Orders

DSISD utilizes the purchase order document as the official contract for purchasing. It is a purchasing requisition when submitted by the requesting department to the Business Office. Once approved by various levels of authority it is electronically forwarded to the Business Office, where it is approved by the Assistant Superintendent for Finance and Operations or designee, assigned a purchase order number, encumbered and officially designated as a "Purchase Order".

### Quotation Threshold

In order to procure goods/services at the lowest possible cost and comply with state law, the District has established the following requirements for procuring items.

Purchases \$10,000 and under: Recommend competition by obtaining two quotes

Purchases of \$10,001 - \$49,999: Must secure a minimum of three quotes and attach quotes to the requisition.

Purchases of \$50,000 and above: A formal bid must be issued. This requires advertising in the local paper for two weeks and Board approval. This is a time consuming process that can take several months.

### Cooperative Purchases

The District is a member of numerous purchasing cooperatives. This eliminates the need for the District to process its own formal bid to purchase products from the list of numerous approved vendors since the purchasing cooperative has already done this. However, for purchases over \$50,000.00 three quotes are strongly encouraged. For assistance, please contact the Purchasing Department.

All vendors with current contracts under a purchasing cooperative are approved vendors. The District may purchase directly from these vendors. Questions concerning cooperative bids that are available and/or any purchasing related questions may be directed to the Purchasing Department. More detailed information is available from the Purchasing Department for anyone who may be interested in purchasing from a cooperative.

### Purchasing Ethics

Texas Education Code Section 44.032 addresses the penalties for circumventing the law with component purchases, separate purchases and sequential purchases as quoted:

“Component purchases” means purchases of the component parts of an item that in normal purchasing practices would be purchased in one purchase. “Separate purchases” means purchases, made separately, of items that in normal purchasing would be purchased in one purchase. “Sequential purchases” means purchases, made over a period, of items that in normal purchasing practices would be purchased in one purchase.

### After the Fact Non Compliance Purchases

When a campus or department places an order prior to the issuance of a purchase order, it is called an “After the Fact” purchase and is considered a purchase procedure violation. All,

“After the Fact” purchases, regardless of the dollar amount, present problems. In many cases, these transactions create unnecessary administrative effort, bypass State of Texas encumbrance requirements and violate procurement rules and procedures.

An “After the Fact” purchase is any one of the following:

- A purchase order that is issued after an item has been received/picked up
- A purchase order that is issued after a service had begun or been completed
- A preview item that is delivered without a purchase order and is then purchased
- Calling in the order to the vendor prior to receiving a copy of the purchase order
- Sending the purchase requisition to the vendor in advance of the purchase order

### Conflict of Interest (Vendors/Employees)

DSISD requires a completed Conflict of Interest Questionnaire form (CIQ) from each current and potentially new vendor. A copy of this form adopted by the Texas Ethics Commission can be located in the Appendix.

An employee shall disclose to their immediate supervisor a personal financial interest, a business interest, or any other obligation that in any way creates a substantial conflict with the proper discharge of assigned duties and responsibilities or that creates a potential conflict with the best interest of the District.

An employee who believes they have or may have a conflict of interest shall disclose the interest to the Superintendent or designee, who shall take whatever action is necessary, if any, to ensure that the District’s best interests are protected. Board Policy DBD (Legal).

### Gifts

An employee shall not accept or solicit any gift, favor, service, or other benefit that could reasonably be construed to influence the employee’s discharge of assigned duties and responsibilities. Board Policy DBD (LOCAL).

School district officials and employees cannot accept anything of value from a vendor, such as personal gifts or gratuities, which may be construed to have been given to influence the purchasing process. Although such practices may be legitimate and generally accepted in the private sector, giving and receiving gifts in the public sector may constitute a violation of law. The State Board of Educator Certification has defined “tokens of recognition” such as plaques, fruit, baked goods, coffee mugs and ornaments as acceptable gifts.

## Vendor Selection

Approved vendors must be used for all purchased or services unless prior approval from the Purchasing Department has been made. If a vendor cannot be found in Skyward or through an approved cooperative, a New Vendor Request Form and a copy of a current W-9 must be submitted to the Purchasing Department for approval. This form can be scanned and emailed to: [michelle.lyons@dsisdtx.us](mailto:michelle.lyons@dsisdtx.us) or sent through interoffice mail to the Purchasing Department. (Sample form in the Appendix)

Once the new vendor is added/denied, Purchasing will email notification of the approval/denial to the requestor.

### SOLE SOURCE PROCUREMENT

A sole source purchase can be made without the benefit of a competitive process when there is no other like item(s) available for purchase that would serve the same purpose or function, and there is only one source for the name item(s) below due to exclusive distribution or marketing rights. To comply with the State of Texas definition of sole source provider, the vendor must satisfy one of the following requirements as defined in the Texas Education Code Subchapter B., 44.031:

1. An item for which competition is precluded because of the existence of a patent, copyright, secret process, monopoly;
2. A film, manuscript, or book;
3. A utility service, including electricity, gas, or water, and
4. A captive replacement part or component for equipment.

The outline of the information required in that section can be found at the Texas Education Agency website at:

<http://www.tea.state.tx.us/school.finance/audit/resguide8/purchase/>

For a claim of sole source, the requested vendor must provide a sole source letter addressing one or more of the above stated conditions that apply to your company's products/services. Please include:

1. All item(s)/services(s) to be considered for sole source
2. The letter must be on the vendor company's letterhead, signed by an authorized agent of the company, and notarized
3. Submit to the Purchasing Department for approval

Once the Purchasing Department has approved the vendor for Sole Source status, an approval (via e-mail) will be sent to the requestor.

### Vendor Relations

The District operates under a centralized purchasing system: therefore, the Purchasing Department is tasked with distributing all Purchase Orders to vendors. Unless specifically requested by the employee, the Purchasing Department will distribute all purchase orders.

Employees are strictly prohibited from ordering goods or services from vendors without an approved purchase order. Procuring goods or services without an approved purchase order is a violation of the District's School Board Policy CH Local. Such orders, if any, shall become the financial responsibility of the person placing the order without an approved purchase order. Furthermore, all employees involved in the requesting/issuance of purchase orders are strictly prohibited from establishing close, personal relationships with vendors as these types of relationships may result in a conflict of interest or a perception of improper vendor relations.

## REQUISITION AND PURCHASE ORDER PROCESSING

The Requisition and Purchase Order process has four distinct steps:

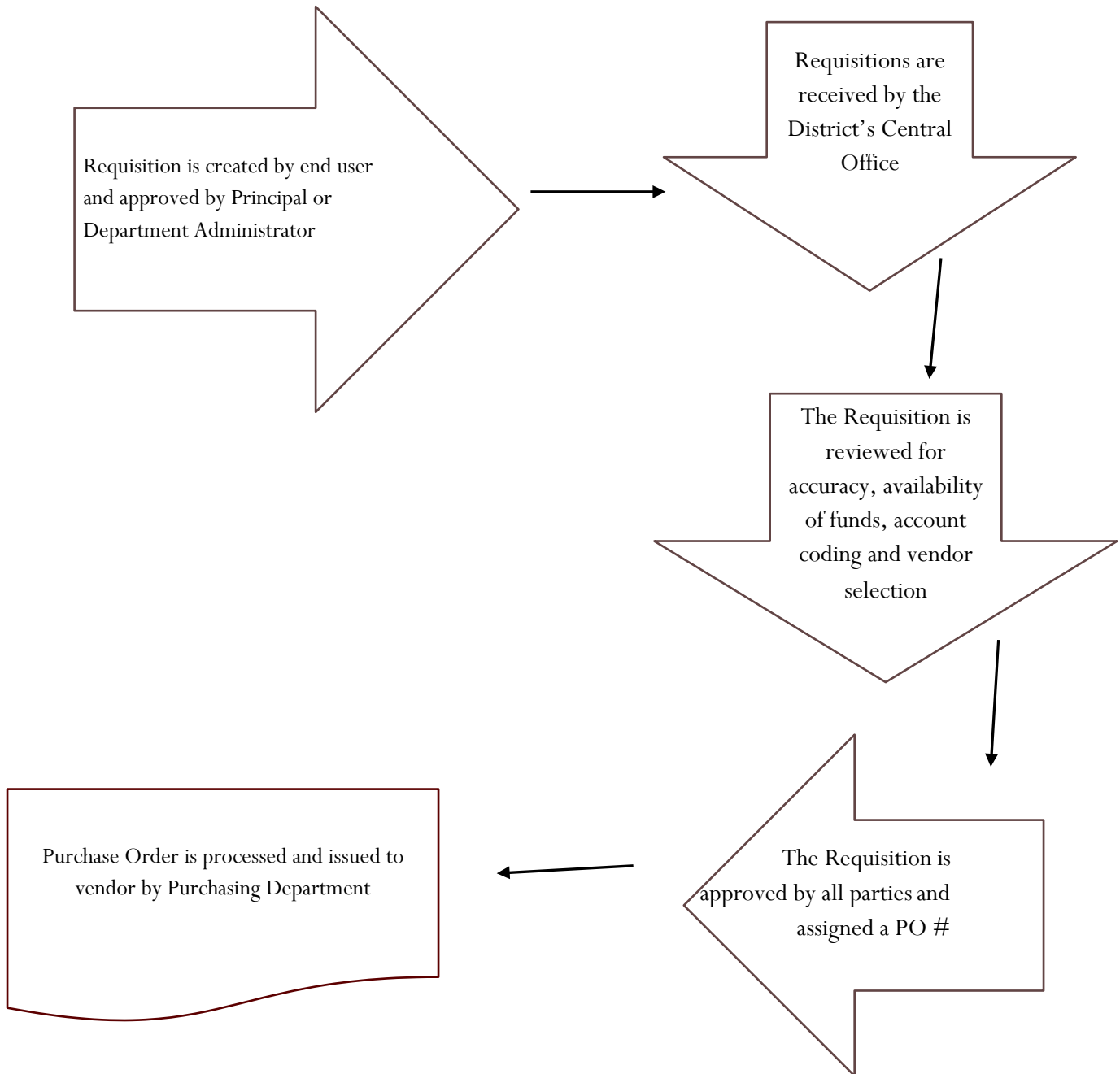
1. The requisition process
2. The purchase order process
3. Delivery and Receipt of goods or services
4. Invoice and Payment

The requisition and purchase order process begins when a need is determined by an end user and is not completed until payment is made for the goods and/or services.

### REQUISITION PROCESS

A requisition is an internal document by which a campus or department requests the purchasing department to initiate a purchase order. A requisition is an unapproved request. No purchasing commitment shall be made until the request (requisition) has been converted into an approved Purchase Order. Approval of purchases must be made prior to a purchase. Request for payment without an approved Purchase Order may become the responsibility of the person ordering the goods or service. Prior to requesting a requisition all eligible "Initiators" must attend training from the Accounting Manager on Requisition Processing.

## Flow of the Requisition



Requisitions initiated by various personnel are routed to the appropriate individual for approval. The approval path often involves several layers of approvers including the principal, department head or superintendent, the accounting and purchasing departments and the Assistant Superintendent for Business Services. Requisitions out of Special Revenue Funds (federal grants), require approval by the program administrator in addition to the approvals above.

The Purchasing Specialist will ensure that the appropriate competitive purchasing (i.e., competitive procurement, price quotes, etc.) method is determined and performed before the requisition is approved for processing. Purchasing is available to offer assistance or answer any questions.

### **Purchase Order Processing**

Requisitions are processed and updated daily by the Purchasing Department. Requisitions that have completed the approval process will be converted into purchase orders during this process. For control and record keeping purposes, the Purchasing System (Skyward) maintains a record of all Purchase Orders. Records include the date of submission, Purchase Order number, vendor name and campus/department name.

### **Receipt of the Purchase Order**

Once the Purchase Order has been processed by the vendor and the initiator has receipt of the goods, the items received must be marked as “received” in Skyward. To receive a Purchase Order follow these steps.

Go to Employee Access- “Click” PURCHASING locate PURCHASE ORDER RECEIVING “Click” Receiving and when it opens “click” ADD. In the top left hand corner enter the purchase order number and “hit” Enter on your keyboard. This will bring up the line items to be received. “Click” RECEIVE ALL if you received all of the items on the purchase order and “Click” SAVE. If you did not receive all of the items only enter the quantity received next to the appropriate line item and then “Click” SAVE.

### **Blanket Purchase Orders**

A blanket purchase order is a purchase order which has been issued to one vendor in which multiple purchases can be made throughout a period. Blanket purchase orders are issued to make miscellaneous supplies, materials, or services available as needed by the user department.

### **Changing or Canceling Purchase Orders**

Whenever it becomes necessary to modify or cancel the items or conditions as listed on a DSISD Purchase Order, these procedures shall apply:



1. The Purchasing Department is responsible for making all official adjustments to a previously issued Purchase Order.
2. When merchandise ordered is returned or modified from the original order, a note must be attached to the system when receiving the items ordered. This notifies the Business Office that adjustments have been made to the original order.
3. To cancel a Purchase Order, Purchasing should be notified of the request. Purchasing will verify that no items have been shipped and then the order will be canceled with the vendor.
4. The campus or department will be notified when an item on the order or the complete order must be canceled for reasons other than their request, examples of cancellations are:
  - The company is unable to provide the goods or services; or
  - The item(s) has/have been discontinued.

### Unauthorized Charges/Purchases

Any commitment to acquire goods or services from budgeted funds prior to securing an approved purchase order or without prior approval from the Business Office or designee is prohibited. Anyone creating or authorizing such a commitment prior to securing a purchase order or obtaining authorization may be personally liable for payment of such agreement.

Anyone creating or authorizing such a commitment prior to securing a purchase order will be held personally liable for payment of such agreement and/or may be liable to prosecution under the Texas Penal Code Chapter 39 Abuse of Office, Section 39.01. No goods or services are to be ordered or repairs made without a Purchase Order (P.O.) number having been issued prior to placing the order with the vendor. The individual placing an order without a P.O. number will be responsible for payment of the invoice. Staff members or their designees are NOT to call in purchase order numbers to vendors until in receipt of said document.

Any commitment to acquire goods or services in the name of the DSISD for personal use or ownership is prohibited. Any individual making such a commitment may be liable to prosecution under the Texas Penal Code Chapter 39, Abuse of Office, and Section 39.01.

### Employee Reimbursements

Reimbursements to employees for things other than approved travel requests are highly discouraged and will not be paid without prior approval from the Business Office. A tax exemption form, available from the campus or Business Office, must be presented to the vendor at the time of the purchase to avoid the payment of sales tax. DSISD does not reimburse for state sales tax.

## CONTRACT MANAGEMENT

To ensure a systematic process to review and approve contracts with vendors, the following procedures apply to all contracts including purchases of goods or services, maintenance agreements, construction, and other contracts as appropriate.

### Signature Authority

Board Policy CH (Local) states the District Superintendent holds delegated contract signature authority on all Contracts and the ability to delegate this authority. The Assistant Superintendent for Finance and Operations and Assistant Superintendent of Learning & Innovation have in turn been delegated contract signature authority by the District Superintendent.

The Board of Trustees retains the authority to approve all contracts for the purchase of goods or services for any single purchase that exceeds \$50,000.00.

### Contract Procedures

- The requestor [campus or department] forwards all contract document(s) to the Purchasing Department for review regardless of dollar amount.
- The Contract documents must include the vendor/contractor's contract and the Dripping Springs ISD Contract Summary Form.
- If the proposed vendor is new to the district then all documents required for a new vendor must be included with the contract documents: Completed Vendor Request Form, a copy of the current W-9, and Sole Source Affidavit – if applicable.
- Purchasing reviews the contract, verifies required documentation and assigns a contract number.
- The contract is forwarded to the Assistant Superintendent of Finance and Operations for review and approval.
- **Note: If the contract is \$50,000 or greater School Board approval is required.**
- Purchasing will notify the requestor of the contract approval or non approval.
- Purchasing will send required documentation to the vendor (if applicable). Once this paperwork is received back from the vendor, the new vendor will be entered into the Skyward database.
- The original contract will remain on file in the Business Office.
- A copy of the contract will be sent to the requestor.

### Renewal Contracts

The Purchasing Department will notify the campus or department of the renewal of contracts 60 days prior to the end of the contract.

### Federal Grant Funds

Contracts funded with federal grant funds, must follow provisions per EDGAR Appendix II Part 200 Contract Provisions for Non-Federal Entity Contracts under Federal Awards). See the district's State and Federal Grants Manual for further requirements or contact the Purchasing Department for assistance.

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## ACCOUNTS PAYABLE

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### Accounts Payable Calendar

Accounts Payable issues checks weekly according to the following schedule during a normal processing week:

Monday 12:00 PM	Due date for all check requests, invoices, receiving of PO's or other documentation (ex. mileage forms, travel forms) to be processed that week
Thursday	Checks are processed
Friday	Checks released for mailing/distribution

### General Guidelines

- Forward ALL invoices to Accounts Payable if received at the campus
- Send original copies of registration forms, order forms, or other items that need to be mailed with the check
- Reimbursement requests MUST show the method of payment (i.e. credit card/cash/check/on-line payment)
- Payments to employees for extra duty pay must be paid through Payroll, not Accounts Payable
- All contract service vendors must be set up as a 1099 vendor. In order to set up a new 1099 vendor, the Business Office must have the vendor's Social Security # or Tax ID #, provided via a W-9 Form. District employees are not 1099 vendors. See the Purchasing section for more information.

### Check Requests

Check requests are permitted only for expenses that must be paid in advance and are not typically ordered such as: membership fees, registrations, and food expenses to a caterer or restaurant, subscriptions, and vendors who do not accept purchase orders. Check requests will only be authorized in those appropriate circumstances where a purchase order cannot be utilized. The Employee Travel APPROVAL Form must be used to request travel related expenses rather than the check request. Accounts Payable will issue and mail the check unless otherwise noted to be returned to the originator. In rare instances when a payment is pre-paid, a receipt for the check is due to Accounts Payable within 10 days to document the purchase.

### Receiving Merchandise

Prior to paying an invoice, district orders for merchandise must be received in Skyward. Line item purchase orders can be received in full or as a partial delivery. Merchandise received on a Purchase Order must be received in the system by the originator in order for Accounts Payable to process payments. It is imperative that merchandise is received in the system in a timely manner so that payment can be processed in order to avoid potential interest and late fees, and to maintain amicable vendor relations.

If an invoice is received directly from a vendor, please forward the original invoice to the Business Office to Pam Shepic ([pam.shepic@dsisdtx.us](mailto:pam.shepic@dsisdtx.us)) and note the Purchase Order number on the invoice if it is not shown. Please forward all receipt information to the Business Office daily, or at least weekly for prompt payment to the vendors.

### Lost/Voided Checks

Questions regarding lost checks should be directed to Accounts Payable at [pam.shepic@dsisdtx.us](mailto:pam.shepic@dsisdtx.us). If a stop payment needs to be issued, the Business Office should

be notified. If a check is incorrect or no longer needed, the check should be forwarded to Pam Shepic ([pam.shepic@dsisdtx.us](mailto:pam.shepic@dsisdtx.us)) in the Business Office so that the check can be properly voided.

## Monitoring Open Purchase Orders

You should routinely print out a list of your open purchase orders and review it to make sure that all purchase orders on the list should remain open for the amount that remains encumbered.

If a partially paid purchase order containing a balance needs to be cancelled, email Accounts Payable to cancel the remaining balance.

If an open purchase order needs to be canceled because the order was never placed or was canceled, contact Accounts Payable to get the purchase order cancelled.

Remember, open purchase order balances encumber budgeted funds and reduce available budgets. Keeping track of your open purchase orders is an important step in overseeing your budget. An open purchase order list for those purchase orders that have not been received in the Skyward system will be emailed automatically to the principal, department head, and purchase order secretary.

# ACCOUNTING

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## Cash Handling

The Business Office is responsible for ensuring the accuracy and completeness of the school district's financial records and the accountability of district assets. In the area of cash handling, fraud is the largest risk; therefore the handling and management of cash is a key area of responsibility. These guidelines are based on best practices and implemented to protect all parties involved in cash transactions.

## Cash Storage

All cash must be secured in a safe at all times. Under no circumstances should cash be left in desk drawers or filing cabinets overnight or longer. Campus personnel should be made aware of cash handling procedures and informed of the requirement to store cash in a secure safe.

## Cash Receipts

When sponsors leave cash with administrative staff without a dual verification of the amount involved, the sponsor and administrative staff member are at risk of unresolved discrepancies. The potential for misappropriation is greatest when the person preparing the deposit has no

documentation of the amount received and the person presenting the cash has no proof of what was transferred.

At any time when a staff member is taking cash from another individual, both parties should verify the amount delivered and a written acknowledgement (receipt) of the transfer should be provided.

The perfect cash handling system requires all cash transactions be handled with the issuance of receipts every time cash is transferred among individuals.

## Deposits

All monies collected shall be deposited within 48 hours at Prosperity Bank. Funds are to be deposited as received. There is no need to wait until all funds from a specific activity have been collected to make deposits.

- Cash is never to be held and spent on expenses; all disbursements must be made with a check as a result of a purchase order or check request.
- All money collected must be submitted in the same form as collected. A staff member is not to substitute his/her personal check for cash collected. No personal checks are to be cashed from the funds collected.
- Sponsors are not to take money home or keep it unsecured in classrooms after hours. Funds should be counted by the sponsor, secured in a locked box or bag, and given to the campus Secretary for storage in a locked, secure cabinet or safe until deposited at the bank.
- Sponsors should not retain funds for longer than two days.

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## CREDIT CARDS

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Effective August 1, 2019 all campuses and departments will be issued three different types of credit cards (Petty Cash, Purchasing, and Travel) to be housed at their campus or department. It will be the responsibility of the principal/director and administrative assistant to ensure the credit cards are kept in a safe when not checked out to an employee.

District credit cards may only be used for official DSISD business. Any charge on the credit card not for official DSISD business will be considered fraud. Disciplinary action will be enforced if fraud is present.

**The DSISD credit cards are not intended to avoid or bypass appropriate purchasing or payment procedures due to time constraints but to complement the existing process.**

Every DSISD credit card purchase is subject to review and verification by Business Office personnel at any time. Routine audits will be made on each campus or departments credit card procedures to ensure compliance.

You must be a DSISD employee to participate at any level. Employees who wish to use a credit card must complete the Cardholder User Agreement form and obtain the appropriate approvals for card use. **Temporary and probationary employees, students or volunteers will not be allowed to possess, use, or handle a District credit card at any time.**

### Cancellation/Suspension Procedure

If a card is to be cancelled, the Card Holder must contact the Assistant Superintendent for Business Services with details.

### Lost or Stolen Cards

Report any lost or stolen card immediately. To report a lost or stolen card call Citi Bank at 1-800-248-4553. Tell the representative the call is regarding a lost/stolen card for Dripping Springs ISD. Always obtain the name of the representative to whom you reported the lost or stolen card as well as the date and time you spoke with the representative. The District is financially liable for the card in the event it is lost or stolen and is subsequently used. The card holder will be held liable for any purchases made before the card is reported lost or stolen. Once you have notified Citi Bank that your card is lost or stolen, the District is no longer liable for any purchases made with the card.

### Petty Cash Credit Card

In lieu of Petty Cash, each campus or department will be issued a Petty Cash credit card. This credit card will be used for small expenditures, like supplies or food for meetings. Each campus or department will have a monthly limit on the credit card; once the limit is met, the credit card will be deactivated until the reconciliation is processed and Citibank has received payment.

**There will be a \$300 limit per transaction when using the Petty Cash credit card. If an expense is more than \$300, then a Purchase Order must be entered into Skyward and approval given before payment can be made with the Purchasing Credit Card.**

## Petty Cash Credit Card Guidelines

- The administrative assistant will be responsible for checking the credit card in and out to employees.
- Credit cards should be placed in a safe when not in use.
- Only expenses related to the District should be charged to the credit card. It is not permissible to commingle purchases of personal items and charge them to the Petty Cash credit card.
- Supplies, materials, and food are the only types of expenditures that may be paid with the Petty Cash credit card. **Any expense charged to the 6200 object series (contracted services) should not be paid with the Petty Cash credit card.**
- Sales tax is not paid by the District. It is the responsibility of the employee to take a Tax Exempt Form and ensure that tax is not charged to the credit card. If tax is charged, the employee will have to reimburse the District.
- The administrative assistant will be responsible for collecting receipts and reconciling the credit card statement in Skyward each month.
- Reconciliation in Skyward will be made available by the 3<sup>rd</sup> of each month. Reconciliation must be completed in Skyward by the 12<sup>th</sup> of each month. If it not completed, the credit card will be deactivated until it has been submitted in Skyward.

## Purchase Order Credit Card

The Purchase Order Credit Card will be used when a single transaction is more than \$300.00. Employees will submit a Purchase Order for approval. Once approved, the credit card will be checked out to the employee to make the purchase in person or online.

Once the transaction is completed, the Purchase Order will be received in Skyward and a receipt sent to Account Payable.

The Purchase Order credit card can also serve as backup if the Travel Credit Card is checked out an employee.

## Travel Credit Card

The Travel Credit Card should only be used for travel expenses, including hotel and registration expenses. Please refer to the Travel section of the Business Manual on page for more information on how to submit Travel Requests.



## Declining Balance Cards

Declining Balance Cards will be issued to employees for one-time use purposes. These cards are pre-loaded with a specific dollar amount coinciding with the request of use. Declining Balance Credit Cards are typically used for student travel and pre-loaded with the sponsor and student meal per diems.

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# ACTIVITY FUNDS/STUDENT ACTIVITY FUNDS

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Activity funds are used to account for district, campus and student funds generated from fundraisers, donations, vending machines, rentals, gate receipts, concessions, and other sources of revenue. These funds are to be used to promote the general welfare of the school and the educational development and morale of all students. All funds collected by school district personnel from students are defined as activity funds and must be handled through the activity funds accounts.

Most school districts manage activity funds in accordance with two board policies: CFD Legal and CFD Local. These policies addressed the fiduciary responsibility, use and expenditure, and other related topics.

There are two (2) primary types of activity funds: Campus and Student Activity Funds. Generally, the source of the revenue determines the type of activity fund.

### Campus Activity Funds

Campus Activity Funds are generally under the control of the campus principal. The revenue sources in this activity fund generally include vending machines, concessions, campus fundraisers, and commissions from school pictures, publications, or school stores. This fund may also include sub-accounts for the library, grade level, or other groups not defined as a student club or organization.

The money must be expended to benefit the student body and have a public purpose in the realm of education. The sponsor or principal decides upon the use of the funds. Funds are deposited and disbursed in Fund 461 accounts. All fundraisers, cash collection and disbursements are subject to DSISD procedures and regulations. The expenditure of these funds are district general funds, per TEA guidelines, and must comply with state law, school board policy and with district regulations.

### Responsibilities

- **Campus Principals** have ultimate responsibility for the proper handling of activity funds on their campus, the correct accounting for these funds, and overall adherence to the procedures and guidelines set out in this handbook.
- **Campus Secretaries** are responsible for following DSISD procedures and guidelines in processing transactions. They may assist the sponsor with the entry of purchase orders or direct payment requests. They will also assist with the deposit of funds.
- **Club and Activity Sponsors** are responsible for following the procedures and guidelines as set out in this handbook. Only certified personnel may be assigned as official sponsors of Activity Fund Accounts. Paraprofessionals may assist with the collections and preparation of various paperwork transactions for the accounts. Parents and students may help with activities and count money. However, the official sponsor (administrator, counselor, or teacher) should be cognizant of all the account activity and should sign off on all check requests and deposits. *Sponsors should also refer to the district's Sponsor Handbook.*
- **DSISD Business Services** is responsible for maintaining and updating these procedures and guidelines for activity funds, providing training, processing requests for payments, and reviewing the activity of the funds to ensure adherence to procedures and guidelines.
- **Independent auditors** will include activity funds in the annual independent audit of the district's financial records.

## Student Activity Funds

Student Activity Funds generally belong to a bona fide chapter such as student groups or organizations. These funds do not belong to the district; however, the district must act as a trustee of the funds. Hence, these funds are accounted for in a trust fund group.

According to the State Comptroller's office a bona fide chapter is a group that must be organized for some business or activity other than instruction or a participatory group. Essentially, any student group that is recognized by the school and is organized by electing officers (not just participatory captains), holding meetings, and conducting business are bona fide chapters of the school. The designated Student Activity Fund Sponsor must be a professional staff member such as a teacher, counselor, or assistant principal.

The revenue sources of this fund typically include dues and fundraisers. All expenditures from this fund must be expended for the benefit of the students as approved by the students. The club or organization sponsor shall oversee the funds. The ultimate responsibility of this fund is also under the control of the campus principal.

Decisions about student activity expenditures are made by the students of the group with the assistance of the club's sponsor. The student group must be recognized by the school and have

elected officers, hold meetings and take minutes. All fundraisers, cash collections and disbursements are subject to DSISD procedures and regulations. If the group disbands, it should indicate how to expend any unused funds.

Funds belonging to outside groups, such as the PTA, boosters club, or outside clubs, ARE NOT Activity Funds and ARE NOT to be the accounting responsibility of the school district. Although such groups and their activities are closely related to school functions or events, they should be handled by officers of the outside group itself, not by district employees.

### **Control Procedures for Funds**

The principal, teachers, and clerical staff are placed in a position of extraordinary trust by parents and students when student funds are placed in their care. Adequate measures to control these student funds will assure parents and students that the funds are being handled properly. It is for the purpose of providing this assurance and protection that Activity Fund control procedures have been established.

### **Depositing Funds Collected**

All money collected by club sponsors, fund-raiser sponsors, teachers, secretaries, or principals should be deposited within 2 day of being collected. If funds cannot be deposited, they should be turned in to the principal's office for placement in a safe until the deposit can be made. All funds shall be deposited within three days.

***Under no circumstances should collected funds be kept in a desk, classroom, purse or other unsecured location.***

Expenses CANNOT be taken out of cash receipts before deposited. Total funds collected are to be deposited with requests for payment (Check Request or Purchase Orders) to be prepared in spending funds.

1. Checks should be made payable to Dripping Springs Independent School District. All checks should be endorsed with a "restrictive endorsement" upon receipt ("For Deposit Only").
2. Each deposit slip must contain the following information:
  - a. The date and the amount of the deposit.
  - b. The name of the group the deposit belongs to as well as the group's account code.
  - c. A brief description of the revenue source (i.e. candle sales, candy sales, T-shirt sales, etc.) should be listed on the deposit tabulation sheet.

- d. If funds are due to a fundraiser, the district issued Fundraiser Number must be listed on the deposit slip.
3. When depositing large amounts of cash, it is recommended that the person making the deposit remain with the teller until the transaction is verified. This will prevent any discrepancies that may arise in calculated totals.
4. Deposits are made using the three-part deposit slip. All three parts are taken with the money to the bank. After verification by the bank, the YELLOW copy shall be sent to the Business Office along with the deposit tabulation sheet. The bank keeps the WHITE copy and the sponsor keeps the PINK copy.
5. The YELLOW copy should be sent to the Business Office the day the deposit is made. Should the bank keep all three copies (when coins must be counted), the yellow and pink copies will be picked up by the sponsor the next business day and the yellow copy along with the deposit tabulation sheet sent to the Business Office.
6. Sales tax liability is calculated at the time the deposit tabulation sheet is received in the Business Office. The deposit tabulation sheet should indicate the revenue source.

## Booster Clubs and Parent Organizations

Booster and parent organizations are composed of parents, community members, and/or staff volunteers coming together for the purpose of supporting specific school activities to benefit students, for example athletic teams, debate teams, and musical groups. This type of organization is known as a school-connected organization. The most common school-connected organization is Parent Teachers Association (PTA/PTSA). School-connected organizations are separate from the school districts with which they are associated. However, booster and parent organizations do not have free access to schools and their students. The Board of Trustees and administration have, and must maintain, exclusive control and management of its public school system.

A clear separation of responsibilities between the district and school-connected organizations should be maintained. School-connected organizations serve as auxiliaries to the school program and conduct activities and fundraising events involving the primary participation of parents and other adult community members.

Funds raised by school-connected organizations are used to support programs. The preferred method is to direct funds to the district for specific purposes, such as the purchase of specific items of equipment or to provide financial assistance to students with need in relation to uniforms or trips.

Booster clubs, PTAs, and other associated groups may not use the district's tax exemption certificate or employer ID number. By law, these groups must obtain their own tax exemption status and employer ID number. Sponsors should never give these groups the district's ID number.

**Additional guidance for Booster Clubs is available in the district's Parent Organization Handbook.**

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## FUNDRAISING

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Fundraisers provide resources for campuses and student groups that do not exist within budgeted allocations. However, when too many fundraisers are being conducted at the same time or over the course of a school year, results may be limited. In order to lessen the burden on the community and to ensure fundraising activities are successful, the following parameters have been set for conducting fundraisers. These parameters apply to ALL fundraisers conducted by campuses and student groups.

- The campus should not have a fundraiser for the sole purpose of accumulating funds in their campus activity account. Fundraisers should be conducted to fund a specific purpose.
  - The proceeds raised must then be used for the specific cause/purpose. For example, if a car wash is held to fund a field trip then the funds must be used on the field trip.
- Students cannot be required to participate in fundraisers and cannot be required to raise a certain amount or sell a certain number of items. All money raised must be used to benefit all students of the group or school.
- A fundraiser cannot be held to underwrite the cost of supplies or materials for a curriculum function. Fundraising activities shall not interfere with the instructional program or time.
- Door-to-door sales are strictly prohibited.
- The solicitation of money, goods and/or services from local businesses may be allowed only with campus administrative approval. Campus administration should be sensitive to the number of fundraising activities soliciting directly from local businesses.
- The selling of baked goods or other food items intended for human consumption that have been prepared at home by students or parents/guardians is NOT allowed.

When conducting a fund-raising activity, established procedures must be followed, including a limit on the number of fundraisers a campus or group may conduct. These procedures have been designed to assist the sponsor/individuals involved in complying with sales tax laws and District guidelines regarding the control of funds raised. The sponsor is responsible for

maintaining accurate records of all sales activities and accounting for all items purchased from vendors for resale. Sponsors should take care to select a reputable company for the purchase of fundraising materials. In addition, the sponsor should maintain a good relationship with vendors by submitting bills to the Business Office for payment in a timely manner. Sponsors must keep control of the merchandise and money. Both should be secured at all times.

1. Before any activities can begin, approval for the fundraiser must be received from the Business Office. This approval is obtained by submitting the Fundraiser Approval Form (FAF-01). This form must be submitted at least two weeks prior to the start date of the fundraiser.
2. Once approval has been granted, the sponsor will be notified of approval and fundraising activities may begin. The sponsor of the fundraising event may determine how to proceed with the actual fundraiser. For example, payment for goods sold may be collected at the time of sale or at the time of delivery of the product.
3. Once approval has been granted, the sponsor should enter a requisition to the selected fundraiser vendor for the estimated cost of goods to be sold.
4. ALL fundraisers will be assigned a Fundraiser Number. Funds collected should be deposited following the guidelines outlined above. The assigned Fundraiser Number MUST be shown on ALL deposits for fundraisers.
5. When sufficient funds have been collected to support the activity the funds were raised for, expenditures may be made following the guidelines below.
6. Within 30 days of the conclusion of the fundraiser, a Fundraiser Reconciliation Form must be submitted to the Business Office to show the results of the fundraiser. Deposits as shown on this report will be verified against bank records. Sponsors will be required to explain any differences.

**Raffles are not allowable fundraisers for school district or activity fund clubs. Attorney General opinion No. JM-1176 states that independent school districts and their related activity funds are not qualified to hold charitable raffles.**

#### **Payments from Activity Funds**

Funds may not be disbursed without the written authorization of the principal. Club and class accounts must be used for the intended purpose stated at the time the account was created. The principal must ensure that expenditures or transfers from those accounts are within the intended purpose and cannot divert funds for other used.

1. No expenditures shall be approved by the principal unless sufficient funds are available in the appropriate Activity Fund account unless funds are anticipated in

- the very near future and approval has been received from the Assistant Superintendent for Business Services.
2. Purchases from activity funds should be made via the online requisitioning system.
  3. If the campus receives the vendor invoice, the invoice should be forwarded to Accounts Payable for payment. All bills should be submitted to Accounts Payable for payment in a timely manner. Any disputes over billing should be brought to the attention of the Business Office.
  4. Activity Funds shall not be used for any purpose which represents an accommodation, loan, or credit to district employees or others. Post-dated checks may not be cashed for anyone. School Board Trustees, employees, or others may not make purchases through the Activity Fund in order to take advantage of student body or district purchasing privileges or credit capacity.
  5. Schools and school organizations are not permitted to execute external debt instruments of any kind (including leases). School activities projects requiring financing on any deferred or installment repayment basis must be submitted to the Business Office for approval.

### Allowable Expenditures

The principal shall use discretion in expending funds in accord with the stated basic purpose of the various funds. The collecting and expending of Campus Funds should have as its basic purpose the promotion of the general welfare of the school and the education, development and morale of all the school's students.

The collecting and expending of Student Activity Funds should be in accordance with the stated purpose of the particular funds. Within this purpose, funds should be expended to benefit the group that is responsible for producing them.

1. Funds resulting from school-wide fund-raisers and vending machines located in student areas must be expended to benefit the general student body. These expenditures may include supplies, equipment or activities.
2. Funds resulting from fund-raisers held by a specific club or other group should be expended to benefit the members of the club or other group and in accordance with the stated purpose of the club or group.
3. Donations from "club funds" are permissible providing that the club sponsor and members approve the donation.

### Charitable Organizations

Fundraising activities may be organized to benefit a particular charity. The charity must be a qualified 503(c)(3) charity (approved by the IRS). Funds may NOT be raised for an individual



student or family. The number of charities to be supported is limited to TWO per campus per school year.

### Number of Fundraisers

During a school year (July 1 – June 30), campuses, school-sponsored clubs, and student organizations may have TWO fundraisers to raise funds for the campus, club or organization, and may support a MAXIMUM of TWO charities per CAMPUS. Fundraisers for charities are not included in the TWO-count maximum.

School-sponsored clubs and student organizations may conduct a MAXIMUM of TWO fundraisers per group per year. Club and organization fundraisers must be conducted with the intent of generating a minimum profit of \$500. If the \$500 minimum is not met, the group cannot participate in the same fundraiser in future years.

When determining whether an activity counts towards the TWO-fundraiser limit, the INTENT in conducting the event must be analyzed. Is the dance/event being held specifically to raise funds or is the charge for admission simply to cover costs for a campus-wide activity?

### Crowd Funding ( On-line Fundraising Sites)

Online fundraising sites are becoming increasingly popular. When funds are raised for the benefit of the district, those funds must flow through either the district or an approved organization (PTA, Booster Club, Student Clubs, etc.). The individual seeking funds completes the Fundraiser Approval Form. The campus principal reviews and approves the campaign for appropriateness, ensures the campaign meets goals and objectives as it relates to the campus improvement plan, and oversees the campaign ensuring compliance with the following requirements:

- a. Include district, campus, and teacher name on project website
- b. Set a project deadline of 45 days or less
- c. Provide information to donors regarding service fees to be deducted from their on-line donation
- d. Follow district purchasing requirements when using funds collected
- e. Ensure technology items meet district technology requirements
- f. Be sure that donations received and items purchased from donations for the campus remain on that campus
- g. Ensure donations are safeguarded at time of delivery
- h. Satisfy other requirements by online site. For example: letters or photos showing project completion; payment of shipping costs, copyright requirements, etc. (No photos of students should be used.)



- i. Upon completion of project, report donations received to Business Services using the Fundraiser Reconciliation Form. If goods are received from the site, a listing of the goods received should be attached to the Fundraiser Reconciliation Form.

Individuals seeking funds via an online fundraising site may NOT:

- a. Withdraw funds into personal banking accounts (funds should be requested from the site via a paper check)
- b. Ask for donated items to be mailed to employee homes
- c. Seek funding for personal reasons, individuals, political reasons, or start-up businesses
- d. List fundraising for a charity (i.e. Red Cross fundraising for a local natural disaster) unless approved by the Superintendent or designee
- e. Pressure parents to make donations to the site

### Carry Over Funds

Funds collected by the campus and student groups shall remain in the appropriate account and each group shall retain any funds remaining at year end. If an organization ceases to exist, any funds remaining shall be credited to a similar group or the appropriate administrative activity account with approval of the Principal and Assistant Superintendent for Business. In the case of funds for the senior class, any funds that remain after all expenses have been covered will be transferred down to the incoming senior class unless prior instructions have been approved by the class officers and the Principal.

### State and Local Sales Taxes

Exemption from imposition of sales tax on an organization's purchases does not relieve it from the obligation of collecting sales tax on its sales. An exempt organization (such as a school district), which sells taxable items, is responsible for collecting and remitting tax on all sales of taxable items made by the organization unless such sales are otherwise exempt from the tax.

In general if an item is purchased to enable the school to fulfill its educational purpose it is exempt from paying sales tax. However a school purchasing taxable items for resale must collect sales tax when the items are resold.

### Taxable Items

The following items are examples of taxable sales items:

- Athletic/physical education equipment and uniforms sold directly to students;
- Other forms of clothing sold directly to students;
- School rings;

- Student publications such as yearbooks;
- Non-food items sold by clubs and organizations as fund-raising projects such as candles, cookbooks, T-shirts, caps, etc;
- Automotive parts used in repairs performed by students;
- Items manufactured by students and sold.

### Tax- exempt Items

The following items are examples of tax-exempt sales items:

- Food products, including candy and soft drinks, when sold in the school during the regular school day (must comply with FMNV rules);
- Food sales when sold by a person under 18 years of age who is a member of a group associated with a school as part of a fund-raising drive sponsored by the organization;
- Soft drinks, candy, popcorn, etc. are not taxable when sold at campus dances or similar events after the regular school day as the sales are part of an organization’s fund-raiser;
- Athletic event concession sales are taxable unless the sales are part of a fund-raising event;
- Magazine subscriptions sold for 6 months or longer;
- School newspapers;
- Club memberships;
- Admission tickets for a school or PTA carnival, assembly, athletic events, dramas, and dances

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## DONATIONS

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The District enjoys and recognizes the support of the community in the form of donated funds, goods and services. When accepting donations of goods, campuses should be aware of the procedures to be followed. Board Policy CDC (Local) sets forth the guidelines in accepting donations from the community.

The Board delegates to the Superintendent or designee the authority to accept gifts, donations, grants, and sponsorship agreements of \$50,000 or less that meet the acceptance criteria as provided in this policy. Approval of such acceptance shall be reported to the Board at the next regular meeting. Acceptance of gifts, donations, grants, and sponsorship agreements of more than \$50,000 shall require Board approval.

A potential donor wishing to donate to the District money, materials, services, or equipment shall seek prior approval of the proposed gift by submitting a Donation Acceptance Request form for consideration by the District. The donation is not accepted until the Donation Acceptance Request Form has been received by the Business Office and approved by the Assistant Superintendent for Business Services. The Board or the administration may elect not to accept a donation if any of the following applies:

- The gift creates a program or condition that is believed to be inconsistent with District policies, philosophies, or current or future plans or purposes.
- The gift would begin a program for which the District would be unwilling to assume financial responsibility when the gift funds are exhausted.
- The gift may result in costs to the District that are determined to be unreasonable or unsupportable.
- The gift may require the District to employ additional personnel.
- The gift would place restrictions on other District programs.
- The specific materials or equipment are not of acceptable quality or are not compatible with existing District equipment or facilities.
- The gift would be inappropriate or harmful to students.
- The gift would be in conflict with any provision of state law, federal law, or District policy.
- The gift does not serve the best interests of the District as determined by the Board or designee.

Regardless of cost, gifts and donations of the following items shall be reviewed by the Business Office:

- Computer and technology equipment;
- Contracted services;
- Food preparation equipment;
- Equipment that requires dedicated space or additional electrical capacity; and
- Items that involve the removal or addition of permanent fixtures to buildings or grounds.



# DISPOSITION OF EQUIPMENT

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The disposition of equipment owned by the District is governed by Board Policy CI. CI (Legal) states that the Board may, in an appropriate manner, dispose of property that is no longer necessary for District operations. CI (Local) provides that the Superintendent or designee is authorized to declare district materials, equipment, and supplies to be unnecessary and shall dispose of unnecessary materials, equipment, and supplies for fair market value. If the unnecessary property has no value, the Superintendent or designee may dispose of such property according to administrative discretion.

When equipment is deemed no longer necessary by the campus or department, the Business Office should be contacted to determine the appropriate manner of disposal.

## Federal Equipment

When equipment purchased with federal program funds is no longer useful for the original purchase or other activities supported by the federal program, disposition is as follows

### Unit cost less than \$5,000

Equipment may be retained, sold, or otherwise disposed of without special authorization from TEA.

### Unit cost of \$5 ,000 or more

Equipment may be retained or sold. If the District elects to retain the equipment, it should “purchase” the equipment if to be used in nonfederal programmatic activities and make an operating transfer to the appropriate fund in the amount of the fair market value of the equipment. Market value may be determined by an independent appraiser or vendor for the equipment. If the District elects to sell the equipment, it may be sold according to the District policies for disposing of surplus property and 34 CFR 80.32. In either case, the proceeds from the purchase/sale may be credited to the appropriate federal program fund and be used to expand the program(s) at the District. If the District does not wish to use the proceeds in that program, the proceeds are to be refunded to TEA.

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